

## DEPT OF REVENUE RESPONSE TO EXCISE TAX INQUIRY

I requested information from the Dept of Revenue to help me understand if what the “developer” side of the table claims to be their reason for “needing” off-premise direction advertisement signs. Their claim is that the development and real-estate industries “are the economic engine of Pierce County (claimed by MBA’s Tiffany Speir during one of the ad hoc committee meetings) – and that home sales generate the majority of excise tax for the County (Catherine Rudolf, spokesperson for the Tacoma-Pierce County Association of Realtors.

I can’t make head nor tail of what was sent to me ☹

Stacy

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**From:** Mielke, Diane (DOR) [mailto:DianeM@DOR.WA.GOV]  
**Sent:** Thursday, June 26, 2008 9:57 AM  
**To:** stacy.emerson@gmail.com  
**Cc:** Taylor, Don (DOR)  
**Subject:** FW: Real Estate - Pierce Co.

Ms. Emerson,

Below is some data that may be useful to you. Note that the Real Estate Excise Tax data is for Fiscal Year 2007 and the Retail Sales Tax data is for Calendar Year 2007. Please contact me at (360) 570-6072 or Don Taylor at (360) 570-6083 if you have further questions.

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WA State Department of Revenue  
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**From:** Taylor, Don (DOR)  
**Sent:** Wednesday, June 25, 2008 2:25 PM  
**To:** Mielke, Diane (DOR)  
**Subject:** Real Estate - Pierce Co.

### REET Tax Generated in Pierce Co. - Fiscal Year 2007

|                  |       |                     |
|------------------|-------|---------------------|
| State 1.28% tax  | =     | \$102.3 million     |
| Local REET taxes | =     | \$ 38.9 million     |
| <br>TOTAL        | <br>= | <br>\$141.2 million |

This data is found in Table 9 of our publication called Tax Statistics. Here is the link: [http://dor.wa.gov/Docs/Reports/2007/Tax\\_Statistics\\_2007/Table09.xls](http://dor.wa.gov/Docs/Reports/2007/Tax_Statistics_2007/Table09.xls).

Retail Sales Tax Attributable to Pierce Co. - Calendar Year 2007

|                         |       |                     |
|-------------------------|-------|---------------------|
| State 6.5% tax          | =     | \$814.8 million*    |
| City/county local tax** | =     | \$131.8 million     |
| <br>TOTAL               | <br>= | <br>\$946.6 million |

\*This number is derived from multiplying the total taxable retail sales for Pierce County for Calendar Year 2007 as shown in Table 3 of our Quarterly Business Review (link: <http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2007/qbrcal07/default.aspx>) by the state rate of 6.5%.

\*\*Based on only the 1.0% city/county local tax and ignores all of the other local sales taxes. The highest combined state and local rate in Pierce County is 8.8 percent in the unincorporated Public Transportation Benefit Area (PTBA), Auburn, Bonney Lake, Edgewood, Fife, Fircrest, Lakewood, Milton, Orting, Pacific, Puyallup, Ruston, Steilacoom, Sumner, Tacoma, and University Place. The breakdown of the 8.8 percent rate is as follows:

|                                |      |
|--------------------------------|------|
| State rate                     | 6.5% |
| Local regular rate             | 0.5% |
| Local optional rate            | 0.5% |
| Transportation tax             | 0.6% |
| Criminal justice tax           | 0.1% |
| Juvenile facility tax          | 0.1% |
| Regional Transit Authority tax | 0.4% |
| Zoo and aquarium tax           | 0.1% |
| TOTAL                          | 8.8% |

The city/county local tax shown above is the total of the 0.5% local regular rate and the 0.5% local optional rate.

Detailed information on Washington State taxes is available in our publication called the Tax Reference Manual. Here is the link:

[http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2007/Tax\\_Reference\\_2007/default.aspx](http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2007/Tax_Reference_2007/default.aspx).